



HF 2223 – National Guard Educational Assistance Program Changes (LSB 5264HV)
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Fiscal Note Version – New

Description

House File 2223 removes a requirement that an Iowa National Guard member be a resident of Iowa to participate in the National Guard Educational Assistance Program. This Bill removes references to specific operations and limits the amount of the annual State appropriation that can carryforward to a subsequent year to 5.0%. This Bill provides for immediate effectiveness upon enactment.

Background

Under current law, the annual State appropriations to the National Guard Educational Assistance Program do not revert to the General Fund if unspent at the end of the fiscal year. Over the past five fiscal years, the Program has carried forward a total of \$2.1 million (10.9%) from State appropriations totaling \$19.3 million.

Assumptions

The removal of the residency requirement may increase participation levels over time. The cost of the Program is controlled by annual appropriation, so changes in participation do not directly affect the cost.

The following table shows the State appropriations for the past five years, the amount of actual carryforward for each year, what the carryforward would have been if limited to 5.0%, and the remainder that would have reverted to the General Fund if HF 2223 had been enacted.

	State Appropriation	Actual Carryforward (unlimited nonreversion)	HF 2223 Limited Carryforward (5.0% of appropriation)	Difference (gain to the General Fund)
FY 2009	\$ 3,742,629	\$ 738,072	\$ 187,131	\$ 550,940
FY 2010	3,075,783	242,234	153,789	88,444
FY 2011	3,186,233	533,690	159,312	374,378
FY 2012	4,486,233	264,004	224,312	39,692
FY 2013	4,800,233	331,777	240,012	91,765
	<u>\$ 19,291,111</u>	<u>\$ 2,109,775</u>	<u>\$ 964,556</u>	<u>\$ 1,145,219</u>
Five-Year Average Annual Difference				\$ 229,044

Fiscal Impact

The estimated fiscal impact of HF 2223 is an annual increase to the General Fund ranging between \$40,000 and \$551,000 or an average annual increase of \$229,000.

Source

College Student Aid Commission

/s/ Holly M. Lyons

February 18, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
